Alaska Communications

August, 2011

Wireline and Wireless Network: Built for Data

Wireless coverage

- 85% POPs - 75% EVDO Rev A
- 75% in owned footprint
- Premier L49/Canada 3G Roaming Agreements
- Ample 3G/4G Spectrum

Wireline network

- The **ONLY** Statewide MPLS and Metro
  Ethernet network
- >90% coverage in towns >5K
- Peering points (Seattle & Portland)

Rural and Bush Services

- Wireless or wireline service provided to nearly
  60% of POPs in Rural & Bush Alaska

Long Haul Fiber

- AK, WA and OR
- Redundant Submarine cables
- Serve about 1/3 of trans-Pacific cable traffic
  (Ex. TATA, Southern Cross, TPE)
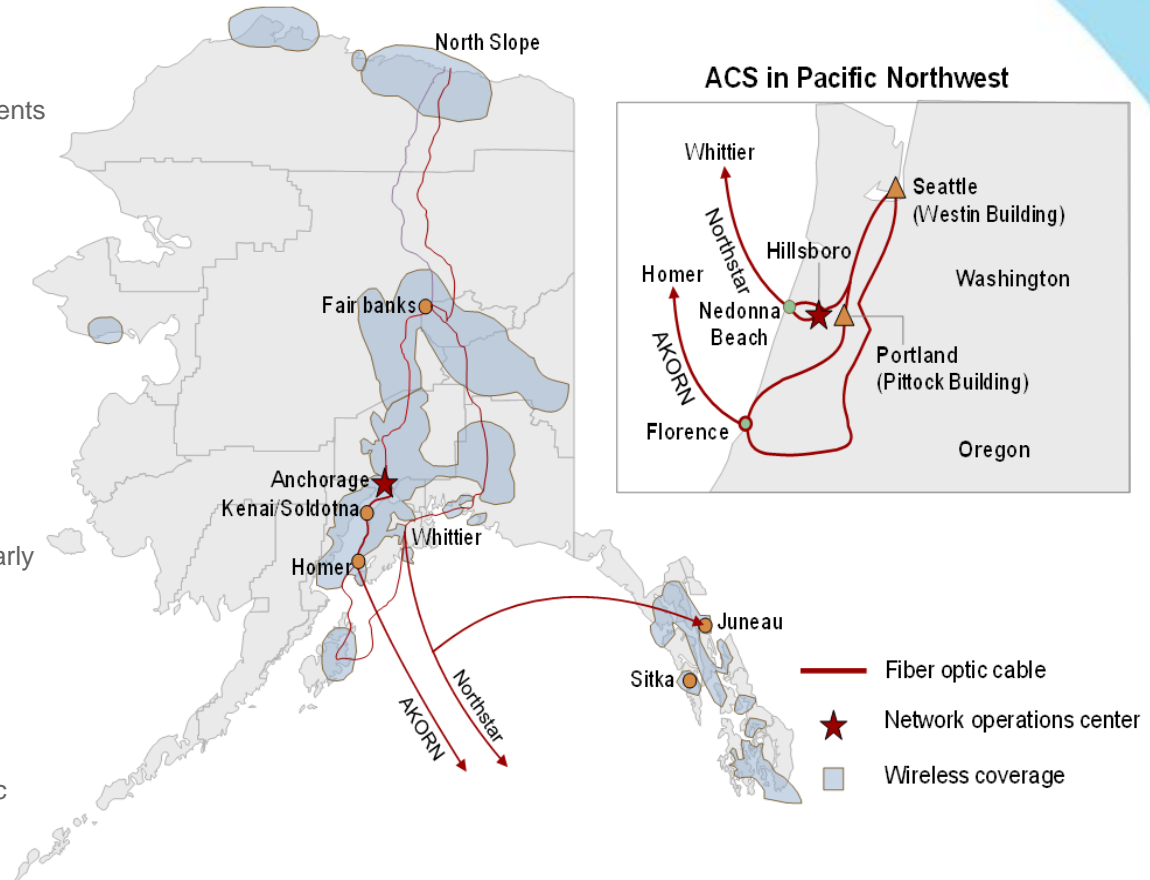
EXPERIENCE ONE OF THE SMARTEST NETWORKS IN ALASKA AND BEYOND.

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CONNECT

- Secure, reliable connectivity from alaska's premier wireless, wireline, Internet and data network solutions provider.

HOST

- Hosted space, storage, and server solutions for organizations of all sizes, locations, and industries.

MANAGE

- End-to-end IT management from our network to your desktops.

☆ Network Operations Control Center & Remote Data Hosting Center
○ Local Voice & Data Switch Site
△ MPLS / Ethernet Locations
— Fiber Optic Cable
— Microwave Links

Voice & 3G Data
Voice & 1x Data
Voice & Texting
No Coverage

Updated on 04/25/11. This map is a geographical representation and coverage shown is approximate. Depiction includes both owned and leased assets. Service may not be available at all times or in all locations. Equipment, topography, environment or other conditions may adversely affect service. Network coverage includes planned 2011 coverage enhancements.
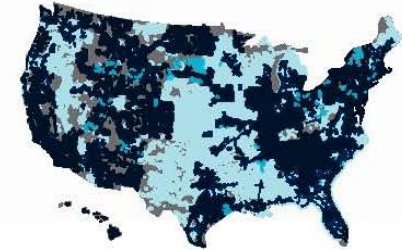
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To learn more, visit alaskacommunications.com, email us at tellmemore@acsalaska.com or call 877-564-3393.

STATEWIDE SATELLITE BEAM AGE

NATIONWIDE WIRELESS COVERAGE

NORTHWEST CONNECTION

(Map labels: BARROW, ALPINE, PRUDHOE BAY, DEADHORSE, KOTZEBUE, NOME, HUSLIA, HUGHES, KOYUKUK, NULATO, KALTAG, CHENA HOT SPRINGS, FAIRBANKS, FORT WAINWRIGHT, NORTH POLE, NENANA, EIELSON AIR FORCE BASE, CLEAR AIR FORCE BASE, DELTA JUNCTION, HEALY, FORT GREELY, CANTWELL, NORTHWAY, BORDER CITY, TALKEETNA, HOUSTON, BIG LAKE, EAGLE RIVER, WASILLA, PALMER, FORT RICHARDSON, EKLUTNA, CHUGIAK, ELMENDORF AIR FORCE BASE, STERLING, NIKISKI, ANCHORAGE, MCCARTHY, NORTH KENAI, INDIAN, BIRD, KENAI, SOLDOTNA, VALDEZ, HOPE, CORDOVA, PORT ALSWORTH, PEDRO BAY, NONDALTON, SEWARD, GIRDWOOD, WHITTIER, PORTAGE, HOMER, YAKUTAT, ST. PAUL, NINILCHIK, HALIBUT COVE, SELDOVIA, ENGLISH BAY, PORT GRAHAM, ST. GEORGE, EGEGIK, PILOT POINT, KARLUK, MESHIK - PORT HEIDEN, CHIGNIK LAGOON, NELSON LAGOON, KAZANOF BAY, AKHIOK, KODIAK, KODIAK COAST GUARD BASE, FALSE PASS, OLD HARBOR, LARSEN BAY, CHIGNIK, CHIGNIK LAKE, PERRYVILLE, AKUTAN, NIKOLSKI, ATKA, FLORENCE, OR, NEDONNA BEACH, OR, AKHOIN, NORTHSTAR, SKAGWAY, HAINES, LEMON CREEK, GUSTAVUS, JUNEAU, HOONAH, ELFIN COVE, PELICAN, DOUGLAS, KAKE, TENAKEE SPRINGS, ANGOON, SITKA, COFFMAN COVE, THORNE BAY, PORT ALEXANDER, POINT BAKER, PORT PROTECTION, KLAWOCK, KASAAN, KETCHIKAN; Northwest Connection map: WHITTIER, SEATTLE (WESTIN BUILDING), HOMER, WASHINGTON, NEDONNA BEACH, PORTLAND (PITTOCK BUILDING), HILLSBORO, FLORENCE, OREGON)

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Enabling Cloud Services for Business

Connect
- MPLS/Metro Ethernet
- Wireless & Mobile Broadband
- Dedicated Internet Access
- Private Line
- Unified Communications
- Video Conferencing

Host
- Hosted Space
- Hosted Storage
- Hosted Platform
- Hosted Applications

Manage
- Network Management
- IT Management (TekMate)
- Fleet Management

CONNECT HOST MANAGE

People

Partner-ships

Assets

- About 800 Skilled Professionals
- Client Account Managers in AK, DC, OR and KS
- Certified Engineers
- PMI Certified PMPs

- Integrators
- IT and Unified Communications providers
- Telecommunications Leaders

- The only statewide Metro Ethernet and MPLS network
- The largest 3G data wireless network
- The only redundant 24/7 NOCC in AK and OR
- Geographically Diverse fiber network connecting AK to L48
- Redundant Data Hosting Centers in AK and OR

POLYCOM ERICSSON hp BARRACUDA NETWORKS vmware CITRIX AVAYA WatchGuard

utron DELL CISCO Booz | Allen | Hamilton Microsoft GOLD CERTIFIED Partner NetApp IBM CHENEGA CORPORATION
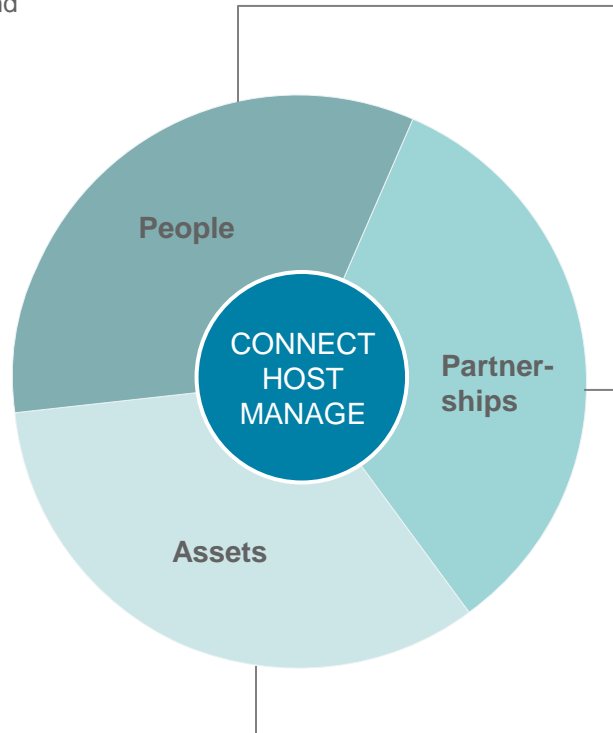
Support Is Necessary To Achieve Universal Service in Alaska

• Alaska is an underserved market that has special needs different from those in the Lower 48 states

• Existing USF mechanisms have successfully brought modern and competitive wireline and wireless telecommunications to high cost and isolated communities

• Current USF reform proposals do not work for Alaska

  • The ABC plan is unlikely to promote broadband in Alaska, and may reduce existing voice services in rural Alaska

• There has been significant dialog among Alaska providers since the FCC's Public Notice – no state-wide consensus yet, but dialog is continuing

• ACS and GCI are largely in agreement on a proposal for Alaska.

USF In Alaska – Create A Target Alaska Fund

- Freeze USF at 2010 levels -- designated a Target Alaska Fund ("TAF").

  - ILEC support is the same amount per study area as received in 2010

  - CETC support is the same per line support received in 2010

  - Support is permitted to more than one provider per market
  - Rural CETC growth funded in phases as follows:

    - Reduce by up to 15% any CETC per-line support exceeding the average monthly support for study areas with fewer than 500 lines;

    - Reduce ETC support in Anchorage by up to 20%/year as needed;

    - Reduce ETC support in Fairbanks & Juneau by up to 10%; and

    - Reduce ETC in other study areas support by up to 10%.

Access Charges Already Reformed In Alaska

- Alaska should be exempt from further ICC reductions

  - ACS voluntarily reduced its interstate traffic-sensitive switched access rate to $0.0095 when it elected for price cap treatment in 2009

  - The RCA eliminated intrastate Carrier Common Line charges and increased end user fees via the NAFs (a state SLC) and AUSF contributions

  - Alaska end-users already pay between $25-30 per month for basic phone service when all fees and charges are included

  - Further reductions benefit only the largest carriers terminating traffic in Alaska

- USF recipients to ensure that 75% of households have broadband within 10 years where affordable terrestrial bandwidth is available

Wireless Consolidation

- Consolidation in the Wireless Industry threatens smaller providers and is a impediment to 4G broadband deployment

- 4G Data Roaming is uncertain

- Handset devices not generally available to smaller providers

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